BOARD OF PATENT APPEALS AND INTERFERENCES
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants	:	Gary William Flake et al.
Application No.	:	10/625,000 Confirmation No. : 8179
Filed	:	July 22, 2003
Title	:	CONCEPT VALUATION IN A TERM-BASED CONCEPT MARKET
Group Art Unit	:	3623
Examiner	:	Neil R. Kardos

Mail Stop Appeal Brief-Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, Virginia 22313-1450

REPLY BRIEF UNDER 37 C.F.R. § 41.41

Sir:

This is a Reply to the Examiner's Answer dated January 20, 2011. Applicants address herein any new grounds of rejection. Accordingly, Applicants request that the appeal be maintained.

I. STATUS OF CLAIMS

The following claims are pending and stand rejected in the present application:

- Independent claims **1** and **13.**
- Dependent claims **2-7, 9-12** and **14**.

The following claims are being appealed:

- Independent claims **1** and **13.**
- Dependent claims **2-7, 9-12** and **14**.

The following claims have been cancelled:

- Claim **8**.

II. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The grounds for rejection to be reviewed on appeal are whether claims 1-7 and 9-14 are unpatentable under 35 U.S.C. §103 over Skinner (U.S. Patent Pub. No. 2003/0105677) in view of Marks (U.S. Patent Pub. No. 2001/0051911) and Cheung (U.S. Patent Pub. No. 2003/0028529), and further in view of Hanson ("Idea Futures: Encouraging an Honest Consensus") and Official Notice?

III. ARGUMENT

This Reply addresses any new grounds for rejection or arguments in the Examiner's Answer. Applicants request that the Board consider the arguments presented in the Appeal Brief along with those presented herein.

A. Motivation to combine Skinner and Marks.

At page 14 of the Examiner's Answer, the Examiner asserts an additional reason to combine known concepts, i.e., that such a combination is merely duplicative of Skinner's data gathering and analysis and that doing so would have been obvious to one skilled in the art. Applicants disagree. Claims 1 and 13 do not merely duplicate Skinner's steps. Rather, these claims require a concept with a defined or fixed set of search terms relating to a common theme. Otherwise, the value of the instruments being transacted according to claims 1 and 13 cannot be

determined. Marks, however, does not teach a defined set of search terms. Rather, Marks specifically provides flexibility as to how and when the upper and lower target points shown in Figs. 2A-2C are correlated. See para. 0029-0030 (noting that "[t]he list provider may allow additional correlations with each listing purchase."). This flexibility, however, is contrary to the presently claimed invention that requires a defined set of search terms for the concept.

B. Skinner, Marks, Cheung, and Hanson do not disclose all of the limitations of claims 1 and 13 – (removing maximum and minimum figures; Intentional manipulation).

The Examiner states that this limitation does not make sense. The Examiner is mistaken. This limitation does not make sense only if the claims are interpreted without regard to the specification, as the Examiner appears to do in construing the terms of claims 1 and 13 unreasonably broad. If the Examiner referred to the specification, he would have realized that the value of the instrument is determined based on data obtained by a provider that allows web site owners to bid in an auction on the rank of their advertisement in search results for a given search term. See page 9 of the specification. Therefore, the total revenue refers to the total revenue generated from the auction, which is the sum of all of the bids received within the relevant time period. In this instance, the maximum and minimum bids can be removed from the total revenue calculation. This total revenue is therefore the total revenue for the purpose of computing the value of the instrument, not the total revenue without any limitation.

C. Skinner, Marks, Cheung, and Hanson do not disclose all of the limitations of claims 1 and 13 – (Determining value of instrument).

The Examiner argues for the first time that Skinner and Marks disclose determining the value of an instrument based on the value of the concept. At most Skinner discusses calculating the value of a term at paragraphs 44-46 and Marks discusses determining a minimum bid for a term at paragraphs 22-24. Terms and concepts are not instruments, i.e., derivatives, that have a value determined based on the underlying value of the concept. The Examiner is ignoring that such an instrument is one that may be transacted, e.g., purchased and sold, as recited in claims 1 and 13. With regard to Hanson, Applicants' arguments in the Appeal Brief still apply.

D. Motivation to combine Skinner, Marks, and Hanson improper.

In an apparent attempt to buttress his week argument regarding the motivation to combine Skinner, Marks, and Hanson, the Examiner argues that he has shown that he has shown that Skinner and Marks disclose determining the value of the instrument and that Hanson is not necessary to show the claimed limitation. As noted above, Skinner and Marks do not disclose concept based derivative instruments. With regard to the motivation to combine Skinner, Marks, and Hanson, Applicants' arguments in the Appeal Brief still apply.

E. Skinner, Marks, Cheung, and Hanson do not disclose all of the limitations of claim 11 and 12 (operating on the data by using a median click calculation, and comprising omitting from the median click calculation one or more highest and lowest price quantities, or the same number of the highest and lowest price quantities).

The Examiner argues for the first time that Skinner discloses a median click calculation at paragraph 12, 38, and 43, asserting that Skinner determines "a reasonable estimate of the expected clicks for a given time period." The Examiner is mistaken, expected clicks is not the same as the median of clicks actually received. Moreover, Applicants maintain that the Examiner's liberal use of official notice is improper for the reasons provided in the Appeal Brief.

IV. CONCLUSION

In view of the foregoing, Appellants submit that the present application is in proper condition for allowance, and the Board is respectfully requested to overturn the Examiner's rejection of the claims thereof.

Respectfully submitted,

/ Antonio Papageorgiou/

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Antonio Papageorgiou
Reg. No. 53,431
Ostrow Kaufman LLP
555 Fifth Avenue, 19th Floor
New York, NY 10017
212-682-9200 Ph.
212-682-9222 Fx.
Customer No. 76041

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